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STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

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House Bills 4054-55 and 4083 (As Introduced)

Topic: Mortgage Fraud
Sponsor: Representatives Mayes and Farrah
Co-sponsors: Representative Marleau is a co-sponsor on all three bills
Committee: House Banking and Financial Services

Date Introduced: January 22, 2007

Date of Summary: March 27, 2007

The bills amend Article 26 of the Occupational Code, the Mortgage Brokers, Lenders, and Servicers Licensing Act, and the Secondary Mortgage Loan Act. House Bill 4054 amends the Appraiser article of the Occupational Code by prohibiting an appraisal developed and communicated in violation of the adopted appraisal standards in response to a client or intended user's attempts to steer the appraisal by setting preconditions on the outcome or representing or implying that payment is predicated upon attaining a desired minimum appraised value. A new subsection is added making violation of the new prohibition a misdemeanor punishable by a fine of not more than \$5,000 or imprisonment for not more than 3 years, or both.

House Bills 4055 and 4083 make coercing or inducing an appraiser to inflate the value of real property used as collateral for mortgage loan a violation of the Mortgage Brokers, Lenders, and Servicers Licensing Act and the Secondary Mortgage Loan Act. Both bills permit the licensee to communicate a price or value concerning real property used as collateral for a mortgage loan to the real estate appraiser.